

News Release

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TRIO CHARGED IN \$6.7 MILLION MORTGAGE FRAUD SCHEME CENTERED IN GATES MILLS

A federal grand jury in Cleveland, Ohio, returned a 29-count indictment against three people related to a \$6.7 million mortgage fraud conspiracy, Steven M. Dettelbach, United States Attorney for the Northern District of Ohio, announced today.

“These charges underscore once again that we are committed to rooting out the scourge of mortgage fraud,” Dettelbach said. “These crimes seem complex, but their impact is obvious to everyone: foreclosed homes, blighted neighborhoods and families forced to make difficult financial decisions.”

The ill-gotten proceeds of the scheme were used to buy luxury automobiles and plasma television sets, among other things, according the indictment.

Those charged are as follows:

Louis Amir, age 36, whose last known address is in Gates Mills, Ohio, is charged with one count of conspiracy, six counts of wire fraud, 13 counts of money laundering, and one count of perjury. Amir is charged with a total of 21 counts.

Daphne Stokes, age 45, resides in Cleveland, Ohio, and is charged with one count of conspiracy,

six counts of aiding and abetting wire fraud, three counts of aiding and abetting money laundering, three counts of making false statements in bankruptcy, one count of theft of government funds, three counts of making false statements, and one count for misuse of a Social Security Number. Stokes is charged with a total of 18 counts in the indictment.

Deirdre Ferguson, age 46, resides in Beachwood, Ohio, and is charged with one count of conspiracy, six counts of aiding and abetting wire fraud, and two counts of aiding and abetting money laundering for a total of nine counts.

The indictment alleges that during December 2006 and January 2007, Louis Amir, aided and abetted by Stokes and Ferguson, fraudulently applied for and obtained six mortgage loans totaling approximately \$6.7 million dollars to finance the purchase of a residence at 1860 Surrey Place, in Gates Mills, Ohio.

The indictment further alleges that Amir purchased that residence around that time for approximately \$2 million dollars. The indictment charges that the defendants delayed filing the Warranty Deed relating to the purchase of the residence to avoid detection of their fraudulent scheme.

The indictment alleges that the defendants caused four mortgage lenders to issue loans far in excess of the true market value of the Gates Mills property. The indictment alleges that, as a result of this fraudulent conduct by the defendants, the lenders sustained losses totaling approximately \$6.7 million dollars.

The indictment also charges that Amir engaged in 13 financial transactions with the proceeds of the fraudulent mortgage loan activities in violation of the anti-money laundering statute.

For example, the indictment alleges that, on December 22, 2006, Amir issued a personal check to Deirdre Ferguson for \$100,000 and caused a wire transfer of approximately \$2 million to Beachwood Title Inc., a business owned and operated by Ferguson. The indictment further alleges that on that same day, Amir purchased an official check for approximately \$103,000 to purchase a Bentley motor vehicle. The indictment further alleges that Amir purchased plasma televisions, speakers, and accessories for about \$96,000 on February 15, 2007. The indictment also charges that Amir paid nearly \$164,000 to lease a Rolls Royce on April 30, 2007.

The indictment also charges Amir with committing perjury on November 10, 2008, in connection with a proceeding in his name in the United States Bankruptcy Court for the Northern District of Ohio.

The indictment charges Daphne Stokes with three counts of making false statements in May, July and August 2008 in connection with a bankruptcy proceeding in her name.

The indictment also charges Stokes with theft of government funds and three counts of making false statements relating to assistance payments she received totaling \$57,300 from the Department of Housing and Urban Development.

Finally, the last count alleges that Daphne Stokes provided a false Social Security number to Huntington National Bank in December 2005 for the purpose of obtaining a loan for \$20,800 to purchase a Mercedes Benz.

If convicted, the defendants' sentences will be determined by the court after review of factors

unique to this case, including the defendants' prior criminal record, if any, the defendants' role in the offenses and the characteristics of the violation. In all cases the sentences will not exceed the statutory maximum and in most cases it will be less than the maximum.

This case is being prosecuted by Assistant U.S. Attorneys Bridget M. Brennan and John D. Sammon, following a joint investigation by the Cleveland Offices of the Internal Revenue Service, Criminal Investigation Division; the Federal Bureau of Investigation; and the Department of Housing and Urban Development, Office of the Inspector General.

An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

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